

**THE LANGHOLM INITIATIVE**  
**REPORT AND ACCOUNTS**  
**For the year ended 31st March 2016**  
**Registered No. SC197326**  
**Charity Registration No. SC041085**

**JRW**

Chartered Accountants

Galashiels Office:  
Riverside House  
Ladhope Vale  
Galashiels TD1 1BT  
T: 01896 753374  
F: 01896 756858

Hawick Office:  
19 Buccleuch Street  
Hawick  
TD9 OHL  
T: 01450 372267  
F: 01450 373591

Langholm Office:  
46 High Street  
Langholm  
DG13 0JH  
T: 013873 80730  
F: 013873 80983

Peebles Office:  
2 Rowan Court  
Cavalry Park  
Peebles EH45 9BU  
T: 01721 720947  
F: 01721 724177

E: [enquiries@jrwa.com](mailto:enquiries@jrwa.com) W: [www.jrwa.com](http://www.jrwa.com)

**THE LANGHOLM INITIATIVE**  
**REPORT OF THE TRUSTEES**

1.

**For the year ended 31st March 2016**

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, hereby present their Report together with the Accounts for the year ended 31st March 2016. The trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

**Objectives and Activities**

Under its Memorandum of Association (as amended on 28th October 2009) the Charitable Company's objects are:

- a) to advance the development of the Community of Langholm and the surrounding area by working to improve the social, economic and physical environment.
- b) to develop and improve the Community voluntary activity in the area by providing organisational, administrative and physical support to voluntary groups and charities operating in the area.
- c) to advance the regeneration of Langholm and the surrounding area by working with local businesses, employers and regional agencies to improve the physical, social and economic infrastructure.

In pursuit of these objectives the charity undertook various projects including Making the Most of the Moorlands; South of Scotland Golden Eagle Project; and Building a Better Future for Eskdale, all of which are more fully described in the Achievements and Performance section of this report.

**Achievements & Performance**

We continue to support the organisation of the "Muckle Toon Adventure Festival" which is firmly embedded as an outdoor event for families. This event has been a boon for the town and the organisers have worked tirelessly in making it such a success.

Having had to vacate the Town Hall Gallery, which we used as an exhibition venue, we have been fortunate to have had the offer from The David Stevenson Trust to occupy a shop on the High Street which they own. We have widened the scope of this operation to make the facility into an **information hub** as well as a **tourist information point and exhibition facility**. Whilst these are early days it seems to have had a successful start and addresses one of the issues from the '**CADISPA**' report in terms of the community needing a better communication strategy.

**The Bonnie Langholm** organisation sadly became defunct this year as no one was prepared to take over the organisation and running of the project. However there continues to be support from shops and hotels along the High Street to provide and maintain their own flower baskets.

A link was established with Dumfries and Galloway Small Communities Housing Trust and the Scottish Land Fund, in advance of exploring the **opportunities for acquiring community assets**. This is a slow process but the Board feel that to do nothing is not an option and we shall continue this policy if demand and viability are assured.

**The Initiative has provided a first point of contact** for local businesses and organisations requiring assistance with premises, training opportunities and grant funding.

We have been successful in being awarded a grant by the Royal Bank of Scotland Skills & Opportunities Fund for a project that we have called "**Building a Future for Eskdale**". This project delivers a range of opportunities for training, employment and enterprise in the Langholm and Eskdale area. We have worked with students at Langholm Academy and unemployed adults, linking them up with employers and training providers, resulting in local training courses, work experience, volunteer opportunities and for some, employment. We have encouraged a spirit of entrepreneurship by showcasing successful local small businesses and demonstrating how viable it is to set up a business in a rural area. Over 550 people have engaged with project activities throughout the year and feedback has been extremely positive. We plan to continue this valuable work and in the process of sourcing funding to continue the project.

**THE LANGHOLM INITIATIVE**  
**REPORT OF THE TRUSTEES (Cont'd)**

2.

Funding agreements for **Making the Most of Moorlands Project** from Esmee Fairbairn and SNH came to an end in March 2015 after another successful year for the MMM Project, which continues to exceed its targets and build an excellent reputation both locally and further afield. The period between April 1<sup>st</sup> and June 17<sup>th</sup> was covered by funding from the end of a Holywood Trust agreement and new funding from M&S. The new phase for the MMM Project began on June 17<sup>th</sup> with funding from Heritage Lottery, Holywood Trust, Robertson Trust and M&S, this is a two year phase running until June 16<sup>th</sup> 2017. Over 3000 participants were engaged through 137 activities in the last year alone.

The Langholm Initiative was approached in May 2015 and asked to become a partner in a new project called **South of Scotland Golden Eagle Project** aiming to reinforce the small and fragmented population of Golden Eagles in the south of Scotland. The project was launched to the press in August 2015 and we worked along with representatives for the project partners (Buccleuch Estates, Scottish Land & Estates, SNH, RSPB Scotland and Forestry Commission Scotland) over the last year to work up a funding application to Heritage Lottery Fund. The HLF application was submitted in March 2016. If successful a 5 month Development phase is planned followed by a five year delivery phase (2017 to 2022). This is a potentially large project with an estimated budget of £1.6 million and employing 3.5 full time members of staff.

In June 2016 the news was received that the application had been successful and that we were granted around £59,000 for a development phase. The hope is to submit a second round application to HLF and potentially begin the delivery

#### **Plans for Future Periods**

The charitable company will continue, subject to sufficient funding being secured, to carry out its principal objects.

We will continue to progress the most effective mechanisms to deliver projects which have been identified through the CADISPA survey and other opportunities which may present themselves.

#### **Review of Financial Position**

A deficit on unrestricted funds for the year of £3,762 was recorded leaving net assets of £8,343 relating to unrestricted funds. All restricted funds are in surplus except for a very small deficit on the Building a Better Future for Eskdale fund, for which funding is in place in the current year to rectify the position. Cashflow continues to be tight, but the Trustees are satisfied that by maintaining cost control measures and seeking new sources of income, the charitable company will continue to operate as a going concern.

#### **Risk Management and Reserves Policy**

The Trustees exercise control of the Charity through regular meetings and the support of the administration staff, in order to mitigate exposure to the major risks. The Trustees consider that a general fund reserve of three months expenditure is a prudent level of reserves to enable the Charitable Company to deal with unforeseen problems.

#### **Structure, Governance and Management** **Governing Document**

The Langholm Initiative is a Company limited by guarantee and does not have a Share Capital. It is governed by its Memorandum & Articles of Association.

#### **Organisational Structure**

Responsibility for managing the Charitable Company lies with the Directors who are also Trustees under Charity Law.

#### **Recruitment of new Trustees**

The Articles of Association require the board of directors to be appointed at each annual general meeting of the members. Directors shall be appointed from the membership of the company and Full Community Members (defined as being resident in the operating area) shall form at least a two thirds majority of the board.

**THE LANGHOLM INITIATIVE**  
**REPORT OF THE TRUSTEES (Cont'd)**

3.

**Reference and Administrative Details**

<b>Charity Number:</b>	<b>SC041085</b>
<b>Company Number:</b>	<b>SC197326</b>
<b>Registered Office:</b>	<b>Buccleuch Mill, Glenesk Road, LANGHOLM, DG13 OES.</b>
<b>Trustees:</b>	<b>D. Yarrow (Chairman) Mrs. M.E. Pool Mrs. A. Murray T. Millar D. Lacey</b>
<b>Secretary:</b>	<b>K.M. Hill</b>
<b>Independent Examiners:</b>	<b>JRW, Chartered Accountants, 19 Buccleuch Street, HAWICK, TD9 OHL.</b>
<b>Bankers:</b>	<b>Bank of Scotland, High Street, LANGHOLM.</b>

**Small Company Provisions**

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by order of the board of trustees on 23rd August 2016 and signed on its behalf by:

**D. YARROW**  
Director.

**Registered Office:-** Buccleuch Mill,  
Glenesk Road,  
LANGHOLM, DG13 OES.

OF THE LANGHOLM INITIATIVE

I report on the accounts of the charity for the year ended 31st March 2016 which are set out on pages 5 to 9.

**Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Kevin D. Crowford,  
Chartered Accountant.**

JRW,  
19 Buccleuch Street,  
HAWICK, TD9 OHL.

**August 2016.**

**STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating Income & Expenditure Account)**

**For the year ended 31st March 2016**

	Note	Unrestricted Fund	Restricted Funds	2016 Total	2015 Total
<b>Income and Endowments from:</b>					
Donations & Legacies	4	£ -	£ -	£ -	£ 12,077
Membership Fees		25	-	25	605
<b>Charitable Activities</b>	5	15,420	107,278	122,698	69,893
<b>Total</b>		<u>£ 15,445</u>	<u>£107,278</u>	<u>£122,723</u>	<u>£ 75,575</u>
<b>Expenditure on:</b>					
Charitable Activities	6	£ 19,207	£ 73,409	£ 92,616	£ 82,137
<b>Total</b>		<u>£ 19,207</u>	<u>£ 73,409</u>	<u>£ 92,616</u>	<u>£ 82,137</u>
Net Income/(Expenditure)		£ (3,762)	£ 33,869	£ 30,107	£ (5,562)
Total Funds brought forward		12,105	6,123	18,228	23,790
Total Funds carried forward	10	<u>£ 8,343</u>	<u>£ 39,992</u>	<u>£ 48,335</u>	<u>£ 18,228</u>

The statement of financial activities includes all gains and losses in the year

BALANCE SHEET

As at 31st March 2016

	Note	2016	2015
<b>Fixed Assets</b>	7	£ <u>9,600</u>	£ _____ -
<b>Current Assets</b>			
Debtors	8	£ -	£ 3,634
Cash at Bank and in Hand		<u>42,068</u>	<u>19,165</u>
		£ 42,068	£ 22,799
<b>Creditors: Amounts falling due within one year</b>	9	<u>3,333</u>	<u>4,571</u>
<b>Net Current Assets</b>		£ <u>38,735</u>	£ <u>18,228</u>
<b>Total Assets less Current Liabilities</b>		£ 48,335 =====	£ 18,228 =====
<b>Funds</b>			
Unrestricted Funds	10	£ 8,343	£ 12,105
Restricted Funds	10	<u>39,992</u>	<u>6,123</u>
		£ 48,335 =====	£ 18,228 =====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 23rd August 2016 and were signed on its behalf by:

**D. YARROW - Director**

**MRS. M. E. POOL - Director**

NOTES TO THE ACCOUNTS

For the year ended 31st March 2016

1. Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

b) Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

c) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

d) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Tenants Improvements	33 1/3% on cost
Office Equipment	20% on cost
Motor Vehicles	20% on cost

e) Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the Report of the Trustees.

2. Taxation

The charity is exempt from corporation tax on its charitable activities.

Directors consider that, after taking account of grant income outwith the scope of Value Added Tax, the Company is below the threshold for registration for Value Added Tax.

3. Trustees Remuneration & Related Party Transactions

No Trustees received any remuneration or expenses during the year.

No Trustees had any personal interest in any contract or transaction entered into by the Charity during the year.

4. Donations and Legacies

	Unrestricted Funds	Restricted Funds	2016 Total	2015 Total
Dumfries & Galloway Council - Core Funding	£ -	£ -	£ -	£ 12,077
=====				

In 2015 all income from Donations and Legacies was unrestricted.



## NOTES TO THE ACCOUNTS (Cont'd)

For the year ended 31st March 2016

## 5. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	2016 Total	2015 Total
Contract Income	£ 7,370	£ -	£ 7,370	£ 6,988
Project Management	8,050	500	8,550	4,407
Moorland Project	-	76,778	76,778	48,498
Third Sector First	-	-	-	4,000
South of Scotland Golden Eagle Project	-	20,000	20,000	-
Building a Future for Eskdale	-	10,000	10,000	-
	£ 15,420	£ 107,278	£ 122,698	£ 63,893

In 2015 Income from Charitable Activities consisted of £11,395 unrestricted funds and £52,498 restricted funds.

## 6. Charitable Activities Costs

## Restricted Funds

	Staff Costs	Project Management	Other Project Costs	Total 2016	Total 2015
Moorland	£ 26,317	£ 4,933	£ 14,974	£ 46,224	£ 46,835
Third Sector First	-	-	-	-	4,122
South of Scotland Golden Eagle Project	13,233	2,210	1,637	17,080	-
Building a Future for Eskdale	6,786	1,407	1,912	10,105	-
	£ 46,336	£ 8,550	£ 18,523	£ 73,409	£ 50,957

## Unrestricted Funds

## General Fund

Staff Costs				£ 4,627	£ 16,233
Premises				9,796	9,911
Communication				1,891	1,359
Postage, Stationery & Advertising				193	268
Miscellaneous				1,770	2,539
				£ 18,277	£ 33,310
<b>Governance Costs</b>					
Independent Examination				930	870
				£ 19,207	£ 34,180

## 7. Tangible Fixed Assets

	Leasehold Improvements	Office Equipment	Motor Vehicles	TOTAL
<b>Cost</b>				
As at 31st March 2015	£ 12,260	£ 569	£ -	£ 12,829
Additions	-	-	12,000	12,000
As at 31st March 2016	£ 12,260	£ 569	£ 12,000	£ 24,829
<b>Aggregate Depreciation</b>				
As at 31st March 2015	£ 12,260	£ 569	£ -	£ 12,829
Charge for year	-	-	2,400	2,400
As at 31st March 2016	£ 12,260	£ 569	£ 2,400	£ 15,229
<b>Net Book Value</b>				
As at 31st March 2016	£ -	£ -	£ 9,600	£ 9,600
As at 31st March 2015	£ -	£ -	£ -	£ -

**THE LANGHOLM INITIATIVE**  
**NOTES TO THE ACCOUNTS (Cont'd)**  
**For the year ended 31st March 2016**

9.

		2016	2015
<b>8. Debtors</b>			
	Grants Receivable	£ -	£ 3,634
		=====	=====
<b>9. Creditors</b>			
	Other Creditors	£ 3,333	£ 2,643
	Project Grants Received in Advance	-	1,928
		£ 3,333	£ 4,571
		=====	=====

**10. Movement in Funds**

	Opening Balance	Net Incoming Resources	Net Resources Expended	Closing Balance
<b>Restricted Funds</b>				
	£ 6,123	£ 77,278	£ 46,224	£ 37,177
		-	20,000	2,920
		-	10,000	(105)
	£ 6,123	£ 107,278	£ 73,409	£ 39,992
<b>Unrestricted Funds</b>				
	12,105	15,445	19,207	8,343
	£ 18,228	£ 122,723	£ 92,616	£ 48,335
				=====

**11. Analysis of Assets Between Funds**

	Unrestricted Funds	Restricted Funds	2016 Total Funds	2015 Total Funds
	£ -	£ 9,600	£ 9,600	£ -
	10,701	31,376	42,068	22,799
	(2,358)	(975)	(3,335)	(4,571)
	£ 8,343	£ 39,992	£ 48,335	£ 18,228
				=====

**12. Members Liability**

The liability of each member upon the winding up of the Company is limited to £1.